

# Letter from the Chairman with Notice of General Meeting

## Egdon Resources plc (The "Company")

(Incorporated and registered in England and Wales with registered number 6409716)

### Directors:

Philip Stephens (*Non-Executive Chairman*)

Mark Abbott (*Managing Director*)

Timothy Davies (*Non-Executive Director*)

Martin Durham (*Executive Director*)

Kenneth Ratcliff (*Non-Executive Director*)

Walter Roberts (*Non-Executive Director*)

### Registered Office:

The Wheat House

98 High Street

Odiham

Hampshire

RG29 1LP

1st July 2021

Dear Shareholder,

## 1. Introduction

On 30 June 2021, the Company announced that it had conditionally raised approximately £1.44 million (the "**Subscription**") through the issue of 115,228,000 new Ordinary Shares (the "**Subscription Shares**") at a price of 1.25 pence per Subscription Share and that each such Subscription Share would be granted a right to subscribe for 0.5 of a new Ordinary Share at a price of 2.5 pence per Ordinary Share, exercisable at any time until the date of the second anniversary of their issue (the "**Warrants**").

The Company also announced that it had received notice from the holders of the £1.05 million Convertible Loan Notes into 69,684,386 Conversion Shares at the Conversion Price of 1.55 pence per Ordinary Share.

This letter, which is accompanied by a Notice calling a General Meeting, gives details of the Subscription, the Warrants and the CLN conversion.

## 2. The Subscription and Warrants

Since the Company does not currently have sufficient authority to allot all of the Subscription Shares, they will be issued in two tranches. The first tranche will be issued on 7 July 2021 and will comprise 89,845,000 Subscription Shares ("**First Tranche Shares**"), which is within the current authority to issue 98,494,688 Shares for which a waiver of pre-emption rights was granted to the Directors at the last Annual General Meeting of the Company held on 5 February 2021. The second tranche, to be issued on passing of the resolutions at the General Meeting, will comprise 25,383,000 Subscription Shares ("**Second Tranche Shares**"). Shareholder approval at a General Meeting is also required to give the Directors authority to issue the Ordinary Shares that would arise from the exercise of the Warrants.

## 3. The Conversion of the Convertible Loan Notes

Egdon has received notice from the holders of the £1.05 million Convertible Loan Notes of the conversion of all outstanding Convertible Loan Notes at the Conversion Price of 1.55 pence per Ordinary Share. Conversion of the Convertible Loan Notes (including the capitalisation of interest which has accrued on the Convertible Loan Notes) will result in the issue to Petrichor Partners of a maximum of 69,684,386 Ordinary Shares and the issue to Jalapeño of a maximum of 3,549,020 Ordinary Shares (together, the "Conversion Shares"), increasing the total interest of the Concert Party to a maximum of 184,876,452 Ordinary Shares, representing 46.04 per cent. of the Company's enlarged ordinary share capital following the issue of the Conversion Shares.

The issue of the Conversion Shares was the subject of a Whitewash procedure granted by the Panel on Takeovers and Mergers in January 2021 and was approved by a General Meeting of the Company held on 22 January 2021.

## 4. Total Voting Rights

The current issued share capital of the Company is 328,315,625 Ordinary Shares, each with voting rights. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

# Letter from the Chairman with Notice of General Meeting

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Following admission of the Conversion Shares and First Tranche Shares on or around Thursday 8 July 2021, the Company's enlarged issued share capital will comprise 491,394,031 Ordinary Shares, each with voting rights.

Following admission of the Second Tranche Shares on or around Wednesday 21 July 2021, the Company's enlarged issued share capital will comprise 516,777,031 Ordinary Shares, each with voting rights.

## 5. Holding of the General Meeting under Covid-19 Restrictions

You will find set out at the end of this Document a notice convening the General Meeting to be held at 10.00 a.m. on Tuesday 20 July 2021 at the offices of Egdon Resources plc at The Wheat House, 98 High Street, Odiham, Hampshire RG29 1LP. Details of the Resolutions which will be proposed at the General Meeting are set out below:

Your Board notes the guidance issued by the UK government restricting social gatherings in view of the ongoing COVID 19 pandemic and the fact that, if such guidance remains in place on the date of the General Meeting, as seems likely, Shareholders will be prohibited from attending the General Meeting. Given the current guidance the Company requests that shareholders do not attend the General Meeting but instead appoint the chairman of the General Meeting as a proxy to ensure their vote is recognised and provide voting instructions in advance of the General Meeting. Other named proxies will not be allowed to attend the General Meeting and their votes will not be counted.

## 6. Resolutions to be proposed at the General Meeting

### Authority of Directors to allot shares (Resolution 1)

Resolution 1, which will be proposed as an ordinary resolution, to authorise the Directors to allot Ordinary Shares as Second Tranche Shares pursuant to the terms of the Subscription up to a maximum nominal amount of £253,830; and

Resolution 2, which will be proposed as an ordinary resolution, to authorise the Directors to allot Ordinary Shares pursuant to the terms of the Warrants up to a maximum nominal amount of £576,140; and

Resolution 3, which will be proposed as a special resolution, to dis-apply the statutory pre-emption rights in respect of the Ordinary Shares allotted for cash, pursuant to the authority conferred on the Directors by resolution 1 and resolution 2 and to allot such shares up to a maximum nominal value of £829,970.

To the extent not already expired, the authorities conferred by Resolutions 1, 2 and 3 will expire upon the day following the second anniversary of the issue of the Warrants.

To the extent not already used or used in the issue of the First Tranche Shares, the authorities granted to the Directors at the Annual General Meeting held on 5 February 2021 remain in full force and effect.

## 7. Recommendation

Your Directors consider the resolutions to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole. Consequently, the Directors recommend Shareholders to vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings totalling 13,596,481 Ordinary Shares (representing 4.14 per cent. of the Company's existing issued share capital).

A form of proxy is included for use at the General Meeting. Forms of proxy should be completed, signed and returned as soon as possible and in any event so as to be received by Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL not less than 48 hours prior to the time appointed for the holding of the General Meeting on Tuesday 20 July 2021.

Yours sincerely,

**Philip Stephens**  
*Chairman*

## EGDON RESOURCES PLC

### (Incorporated and registered in England and Wales with registered number 6409716)

Notice is hereby given that a General Meeting of Egdon Resources plc (the "**Company**") will be held at the Company's Registered Office on Tuesday 20 July 2021 at 10.00 a.m. for the purpose of passing the following resolutions, of which Resolutions 1 and 2 will be proposed as Ordinary Resolutions and Resolution 3 will be proposed as a Special Resolution.

The meeting will be a closed meeting and accordingly Members are not invited to attend and will not be admitted should they do so.

For the purposes of this Notice, capitalised terms shall have the meaning ascribed to them in the letter to shareholders from the Chairman of the Company of which this notice forms part ("**Document**") (unless the context otherwise requires, or they are otherwise defined).

### ORDINARY RESOLUTIONS:

1. THAT the Directors be and they are hereby generally and unconditionally authorised (in addition to all existing authorities) to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, as is contemplated in sub-sections 551(1)(a) and 551(1)(b) respectively of the act up to a maximum nominal amount of £253,830 pursuant to the Subscription (as defined in the Document) during the period expiring on 31 January 2022 or the date of the Company's next Annual General Meeting (whichever is the earlier), save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution in accordance with the provisions of section 551(7)(b) of the Act.
2. THAT the Directors be and they are hereby generally and unconditionally authorised (in addition to all existing authorities) to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, as is contemplated in sub-sections 551(1)(a) and 551(1)(b) respectively of the act up to a maximum nominal amount of £576,140 pursuant to the Warrants (as defined in the Document) during the period expiring on the second anniversary of the issuing of the Warrants, save that the Company may prior to the expiry of such period make any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution in accordance with the provisions of section 551(7)(b) of the Act.

### SPECIAL RESOLUTION:

3. THAT, subject to the passing of Resolution 1 and 2 above, the Directors be and they are hereby empowered pursuant to section 570 and section 573 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolutions 1 and 2 or by way of a sale of treasury shares, as if section 561 CA 2006 did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £829,970,

and shall, in so far as not previously expired, expire on the day after the second anniversary of the issue of the Warrants (as defined in the Document), except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Dated 1 July 2021

By Order of the Board

**Walter Roberts**  
**Secretary**

# Letter from the Chairman with Notice of General Meeting

continued

## General Notes:

1. In view of current guidance issued by the UK government restricting social gatherings, which would prohibit shareholders attending the General Meeting, the Company requests that shareholders vote on the Resolution being put to the General Meeting by appointing the chairman of the General Meeting as a proxy to ensure your vote is recognised and giving voting instructions in advance, either using the enclosed Form of Proxy via post, or through CREST.
2. For the same reasons, the Company, with regret, requests that shareholders do not attend the General Meeting in person irrespective of whether the restrictions on social gatherings remain in place. Where a Shareholder is experiencing issues posting their completed and signed Form of Proxy to the Company's Registrar, they may email a scan of the completed and signed Form of Proxy to the Company's email address, [info@egdon-resources.com](mailto:info@egdon-resources.com), by no later than 9.00 a.m. on Friday 16 July 2021 with the subject "VOTING" and the Company will endeavour to ensure that these votes are included in the poll.
3. The deadline for submission of proxy votes is 10.00 a.m. on Friday 16 July 2021.
4. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to vote at a general meeting of the Company. Details of how to appoint the Chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. Due to the UK Government restrictions relating to COVID-19 and restrictions on attending the General Meeting, you are strongly encouraged to appoint the Chairman of the meeting as your proxy to ensure your vote is recognised at the General Meeting. Other named proxies will not be allowed to attend the General Meeting and their votes will not be counted.
5. Entitlement to vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to vote at the meeting.
6. As at the date of this notice of general meeting the Company's issued share capital comprised 328,315,625 ordinary shares of 1p each. Each share carries one vote.
7. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number RA10) by no later than 10.00 a.m. on Friday 16 July 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
10. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timing.